Liberty Insurance Corporation
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ANNUAL CORPORATE GOVERNANCE REPORT OF

LIBERTY INSURANCE CORPORATION

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ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	**Compliant**	**Provide information or link/reference to a document containing information on the following:** **1. Academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of directors** **2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance**	**The Board of Directors of Liberty Insurance Corporation is composed of 11 directors, three of whom are independent directors, with collective qualificNQrDOSR)NO3QtD')SE(E33QiD'3SM(300Qs**

			corporate governance and an introduction to the Corporation's business, Articles of Incorporation, and Code of Conduct.
3. Company has relevant annual continuing training for all directors.	**Compliant**		**Subsection 1.3, Paragraph 2 (page 3) states that the Corporation shall also**

performance and

			among others, gender, age, ethnicity, culture, skills, competence, and knowledge. (Page 4) Subsection 2.3 of the Company's Board Charter (page 1) similarly sets forth the Company's policy on board diversity.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or ink/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties, and functions.	The Company's Corporate Secretary, Mr. Eufrocinio C. de la Merced Jr., is a lawyer a

			The Report on the Annual Stockholders' Meeting for 2023, which can be found in the Corporate Governance section of the Company's website, enumerates the elected Members of the Board of Directors, and confirms that Mr. de la Merced is not a director of Liberty Insurance Corporation.
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	Mr. de la Merced attended the following online corporate governance seminars conducted by the Institute of Corporate Directors (ICD): (1) 17 October 2023, from 2:00PM to 5:00PM, with the topic Anti-Money Laundering Act Compliance in the Age of Digital World; and (2) 27 October 2023, from 4:00PM to 6:00PM, with the topic Masterclass Third Series Session 4: Transforming Companies with Digital Disruption-Ready Boards of Directors. This information is included in the profile of Mr. de la Merced which is posted on the Corporate Governance Section of the Company's website under the heading Profiles of Corporate Secretary and Compliance Officer.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information	Mr. Addison B. Castro is the Company's Compliance Officer.

			Corporate Secretary and Compliance Officer.
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	**Compliant**		**Mr. Castro, a lawyer, is a name partner in the Gatchalian and Castro Law Office. He is an external legal counsel of Liberty Insurance Corporation.**
3. Compliance Officer is not a member of the board.	**Compliant**		

			Act Compliance in the Age of Digital World; and (2) 27 October 2023, from 4:00PM to 6:00PM, with the topic Masterclass Third Series Session 4: Transforming Companies with Digital Disruption-Ready Boards of Directors. This information was added to the profile of Mr. Castro in the Corporate Governance section of the Company's website under the heading Profiles of Corporate Secretary and Compliance Officer
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	The minutes of the annual stockholders' meeting and regular board meetings contain information on how the Company's directors performed their duties and responsibilities during the year. The Minutes of the Annual Stockholders' Meeting for 2023 are posted in the Corporate Governance section of the Company's website. The Minutes of the regular board meetings were collated and submitted

to the Insurance Commission at the end of each year.

The board resolutions that were approved by the Board of Directors in

The minutes of the annual stockholders' meeting and regular board meetings contain information on how the Company's Board of Directors performed their responsibility of overseeing the development, review and approval of the Company's business objectives and strategy during the year.

The Minutes of the Annual Stockholders' Meeting for 2023 are posted in the Corporate Governance section of the Company's website.

The minutes of the regular board

section of the Company's website, under the

			in the Corporate Governance section of the Company's website. The latest Report of Independent Auditor (2023), which can also be found in the Corporate Governance section of the Company's website, includes an explanation on the Company's Retirement Benefits. (Pages 34-36)
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implemea	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	**Compliant**	**Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.**	**Please refer to Subsection 2.3 of the Revised Manual on Corporate Governance 2022. (Pages 8-9)**
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	**Compliant**		**In Subsection 6.1.2.1 of the Company's original Manual on Corporate Governance, which discusses Rights of Investors/Minority Interests, it is stated that "Shareholders shall have the right**

			The Board reviews the suitability of the nominated candidates based on the criteria used in selecting new directors. These can be found in Subsections 2.4 (Qualifications of Directors), 2.5 (Permanent Disqualifications of Directors) and 2.6 (Temporary Disqualifications of Directors). (Pages 9-12)
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.	**Compliant**		**The functions of the Nomination and Remuneration Committee under the Manual on Corporate Governance were assigned to the Company's Corporate Governance Committee. At least thirty days before the holding of the 2023 annual stockholders' meeting, the Company's Corporate Governance Committee convened to examine and evaluate the skills and qualifications of board candidates to determine whether the nominees possessed the qualifications and none of the disqualifications to hold such office.**

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2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transaction.	**Compliant**	**STe te e,or ts tserorporate governance e tion f he**	**Subsection 8.5 of the Revised Manual on Corporate Governance 2022 declares that the Corporation shall disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions. The material or significant RPTs shall be reviewed and approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting. All material or significant RPTs for the year shall be disclosed in its Annual Company Report or Annual Corporate Governance Report. (Page 22)**

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexitQoDMzS0)z(QmD'OSR()()Qp3D(S3N)OEQpD')S(RR0EQ D'0R()()Qp3D(S3N)Oz(plriteon.k
Compliant

			Section 8 also speaks of the Board's power to create, at its discretion, an Executive Committee that shall exercise the powers of the Board of Directors as may be delegated to it in the management and direction of the affairs of the corporation. (Page 7) **Article V of the Amended By-Laws enumerates the officers of the corporation and the manner of their selection/appointment. (Pages 8-9)** **Subsection 2.1.6 of the Revised Manual on Corporate Governance 2022 (page 7) states that the Board shall be primarily responsible to appoint a competent management team at all times. The Board shall approve the selection and assessment of the performance of Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).** **The Board is in the process of evaluating the potential candidates for the positions of Chief Risk Officer and Chief Audit Executive.** **The Management Team will be led by the President, Mrs. Josefina M.**

			Salvador. Mr. Addison B. Castro is the Chief Compliance Officer.
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	Subsection 2.1.7 of the Revised Manual on Corporate Governance 2022 empowers the Board to establish an effective performance management framework that will ensure the continuing fitness and propriety of Management, including the Chief Executive Officer, and personnel in carrying out their respective duties and responsibilities. This is to ensure that their performance is at par with the

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create an Executive Committee which shall manage and direct the affairs of the corporation. (Page 7)

Section 9 empowers the Board to create Committees as may be necessary and beneficial in the operation and internal regulation of the Corporation. (Pages 7-8)

Subsection 2.1.8 of the Revised Manual

Subsection 3.1.2 of the Revised Manual

			conflicts of interest that might affect their judgment. (Page 21)
3. Board approves the Internal Audit Charter	Non-Compliant	Provide reference or link to the company's Internal Audit Charter	Subsection 2.1.8 of the Revised Manual on Corporate Governance 2022 states that among the duties and responsibilities of the Board is to approve the Internal Audit Charter. (Page 7) Under Subsection 3.1.2.1 of the Revised Manual on Corporate Governance 2022 (Page 13), among the duties and responsibilities of the Audit Committee is to recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter. Subsection 12.3 of the Revised Manual states that the Board may appoint a qualified Chief Audit Executive (CAE), who will be tasked with the responsibility of periodically reviewing the internal audit charter and presenting it to senior management and the Board Audit Committee for approval. (Page 25) The functions of the internal audit are

			and accountabilities in carrying out its fiduciary duties. The Board Charter shall serve as a guide to the directors in the performance of their functions and shall be publicly available and posted on the Corporation's website. (Page 7)
3. Board Charter is publicly available and posted on the company's website.	Compliant		The Company's Board Charter can be found in the Corporate Governance section of the Company's website under the heading Board Charter and Committee Charters.
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	Section 3 (Establishing Board Committees) of the Revised Manual on Corporate Governance 2022 states that Board committees shall be set up to the extent possible to support the effective performance of the Board's functions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions, and responsibilities of all committees established shall take into consideration the Corporation's size, risk profile, and complexity of

operations, among others. The respective charter of the committees shall be made publicly available. (Page 12)

Subsection 3.1 discusses the establishment of the Audit Committee and details its composition and duties and responsibilities. (Pages 12-15)

Subsection 3.2 discloses the establishment of the Corporate Governance Committee and explains its composition and duties and responsibilities. (Pages 15-16)

Subsection 3.3 states that the Board may establish such other committees as it may deem fit, taking into careful consideration the Corporation's size, risk profile and complexity of

			Directors. Mrs. Bautista is a Non-Executive Director. Information on the background, knowledge, skills, and/or experience of the members of the Audit Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors. The Agenda and Minutes of the Organizational Meeting for 2023 may be found in the Corporate Governance section of the Company's website.
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	The Chairman of the Board is Mr. Fernando C. Cojuangco. The Chairman of the Audit Committee is Mr. Ramon V. Ocampo, an Independent Director. Mr. Ocampo is not the Chairman of any other Committee. The curriculum vitae of Mr. Ocampo can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the	Compliant	Provide information or link/reference to a document containing information on the	Subsection 3.2 of the Revised Manual on Corporate Governance 2022

			elected members of the Corporate Governance Committee: **Chairman: Vida T. Chiong** **Members: Maria Ernestina C. Teopaco** **Leonardo C. Guison III** **Mrs. Chiong and Mr. Guison are Independent Directors. Ms. Teopaco is a Non-Executive Director.** **Information on the background, knowledge, skills, and/or experience of the members of the Corporate Governance Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.**

3. Chairman of the Corporate Governance Committee is an independent director.

			Committee (RPTC) to the Audit Committee. This decision was arrived at during the Organizational Meeting of the Board on 25 May 2022. The Minutes of the 2022 Organizational Meeting were submitted to the Insurance Commission. **Under Subsection 3.1.2.11 of the Revised Manual on Corporate Governance 2022, the Audit Committee shall assume such other duties and responsibilities assigned to the committee by the Board. (Page 15)**
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	**Compliant**	**Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.**	**The Minutes of the Organizational Meeting of the Board of Directors dated 28 June 2023, which w'3SREO)EQiD me,VoVoVoVo')3RS3zMQoD(S3N)O0QfDR0MQdI Coon on the th mQeD'MS(EzOt E(z(0QhD'(SM03R)QeD'M'(zMEe da Cod**

the members of the Audit Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.

reporting process, resources and other relevant information.		particularly the functions of the Committee that is necessary for performance evaluation purposes.	heading Board Charter and Committee Charters.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		No. 6 of the Audit Committee Charter (page 5) states: 6. PERFORMANCE AND EVALUATION To ensure that the Committee fulfills its responsibilities following global best practices and in compliance with the Revised Manual on Corporate Governance and other relevant regulatory requirements, the Committee should review and assess its performance annually. No. 7 of the Corporate Governance Committee Charter (Page 4) states: 7. Performance and Evaluation To ensure that the CG Committee fulfills its responsibilities in accordance with global best practices and in compliance with the Revised Manual on Corporate Governance and other relevant regulatory requirements, the CG Committee should assess its performance at least annually. The CG Committee shall obtain and subject itself to an independent assessment by

Regular Board Meetings which were conducted via remote communication (videoconferencing)

3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.	The contents of the 2023 Minutes, which were submitted to the Insurance Commission and can be found in the Corporate Governance section of the Company's website, reflect the questions, clarifications and comments raised/made during the board and committee meetings.
Recommendation 4.2			

Recommendation 4.3	
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant

Recommendation 5.2

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included in the application of the term limit prescribed in this item.			be found in the Corporate Governance section of the Company's website. For Mr. Ocampo and Dr. Guison, their maximum cumulative term limit of nine years will be reckoned from 2 January 2015. As indicated in her Profile, which can also be found in the Corporate Governance section of the Company's website, Mrs. Chiong was first elected a Member of the Board of Directors on 28 August 2019.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	Subsection 5.3 (Term of Independent Director) of the Revised Manual on Corporate Governance 2022 indicates a maximum cumulative term of nine (9) years for independent directors. (Page 19)
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	Compliant	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	Subsection 5.3 of the Revised Manual states that in the event that the Corporation wants to retain an independent director who has served for nine years, the Board shall provide a meritorious justification duly approved by the shareholders during the annual stockholders' meeting, to be submitted to the Insurance Commission. (Page 19) Should the Company retain any of its independent directors after their nine-

and distinct as reflected in the

independent, including a situation where the positions of the Chairman of the Board and Chief Executive Officer are held by one person. The functions of the lead director include, among others, the following:

6.1 The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees. Every three years, the assessment may be supported by an external facilitator to increase objectivity.

6.2 The Board shall have in place a system that provides, at the minimum, criteria and processes to determine the performance of the Board, the individual directors, committees and

			Audit and Corporate Governance Committees.
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		The annual self-assessment of the Board of Directors in (1) their individual capacities and (2) the Board as a whole were conducted on 1 December 2023. The results thereof were reported and discussed by the Compliance Officer in the regular meeting of the Board of Directors on 31January 2024.
4. The performance of each committee is assessed annually by the Board.	Non-Compliant		The Board commenced annual self-assessments at the end of 2023 (see above). These assessments will be expanded in 2024 to include the performance of the Chairman and the Audit and Corporate Governance Committees.
5. Every three years, the assessments are supported by an external facilitator.	Not Applicable	Identify the external facilitator and provide proof of use of an external facilitator.	The External Facilitator has not yet been named.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	Please refer to Section 6 and Subsections 6.1 and 6.2 of the Revised Manual on Corporate Governance 2022 above.

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	**Compliant**	**Provide information on or link/reference to the company's Code of Business Conduct and Ethics.**	**Section 7 (Strengthening Board Ethics) of the Revised Manual on Corporate Governance 2022 contains provisions on the Company's Code of Business Conduct and Ethics.**

			the Employee Handbook at the start of their employment.
3. The Code is disclosed and made available to the public through the company website.	**Compliant**	**Provide a link to the company's website**	

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	Section 8 (Enhancing Corporation Disclosure Policies and Procedures) of the Revised Manual on Corporate Governance 2022 states that the Corporation shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. 8.1 The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that gives a fair and complete picture of a Corporation's financial condition, results and business operations. (Page 21) Please refer to the Corporate Governance section of the Company's website to see, among

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	Subsection 8.3 states that the Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment. (Page 21) Please refer to the Corporate Governance section of the Company's webs

			financial and non-financial metrics to measure performance. xxx xxx xxx (h) Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates.
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	Please refer to Subsections 8.4 (page 22) and 3.2.2.8 (page 16) of the Revised Manual on Corporate Governance 2022 above and the pertinent provisions of the Company's Corporate Governance Committee Charter.
3. Company discloses the remuneration on an indivvr			

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		percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	Please visit the Company's website at: https://www.libertyinsurance.com.ph to find the Company's Revised Manual on Corporate Governance 2022 and its original Manual on Corporate Governance.
2. Company's MCG is posted on its company website.	Compliant		The Revised Manual on Corporate Governance 2022 and Manual on Corporate Governance can be found in the Corporate Governance section of the Company's website.
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
3. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Provide information or reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Subsection 9.1 of the Revised Manual declares that the Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of

said former external auditor on any

			Please refer to the Corporate Governance section of the Company's website to find the Company's Audit Committee Charter.
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide reference to the company's Audit Committee Charter.	Section 4 of the Company's Audit Committee Charter enumerates the Audit Committee's "Oversight functions over the Company's External Auditor." (Pages 2-3)
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	Subsection 9.3 of the Revised Manual states that the Corporation shall disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. D(03'(S!Q8S!D((pot d)QfD')S(RR0EQID'3SM(300QiD'3SM(300Q'(SM03I

			non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his/her duties as an External Auditor or may pose a threat to his/her independence. The non-audit work, if allowed, shall be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report. (Page 3)
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.			

1. **Board has a clear and focused policy on the**

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stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the Compliant Company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	Please see Section 12 and Subsection 12.1 of the Revised Manual above. (Page 23) The Company's Audit Committee Charter articulates that among the authority and responsibilities vested in the Audit Committee are the "Oversight of the Risk Management Function." (Subsection 4.5[a-f]) (Pages 4-5) The Audit Committee Charter can be found in the Corporate Governance Section of the Company's website.
Recommendation 12.2			

1. **Company has a qualified Chief Audit Executive**

responsibility for managing the fully outsourced internal audit activity.			Mr. Antonio Roderick B. Cabusao, VP for Corporate Strategy, is the Company's qualified senior management personnel assigned to manage the fully outsourced internal audit activity, if any.
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function.	Subsection 12.4 (12.4.1 – 12.4.7) of the Revised Manual details the activities involved in the risk management function of the Company. (Pages 25-26)
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Company is still in the process of selecting and designating its Chief Risk Officer in accordance with its Revised Manual on Corporate Governance 2022.

2.

Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facili

Special Shareholders' Meeting publicly available the next working day.

			after the holding of the annual stockholders' meeting on 28 June 2023.
Recommendation 13.4			

1.

			to identify the Corporation's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. (Page 2) Subsection 6.1 of the Company's Manual on Corporate Governance (Investors' Rights and Protection) explains the rights and benefits of shareholders and investors. (Pages 10-12) The Agenda and Minutes of the 2023 Annual Stockholders' Meeting, which can be found in the Corporate Governance section of the Company's website, contains the list of the Company's shareholders.
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders.	Subsection 6.1 of the Revised Manual identifies the policies and mechanisms followed to ensure the fair treatment of the Company's stakeholders. (Pages 10-12)
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights	Compliant	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.	Go to the Corporate Governance section of the Company's website and find the heading Notice to Minority Stockholders, which provides the Company's pertinent email address.

		Provide information on whistleblowing policy, practices and procedures for stakeholders	The Company's website also has a Contact Us section where all of the Company's Contact Information are listed.
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Non-Compliant	Identify or provide link/reference to the company's policies, programs, and practices on anti-corruption.	Subsection 15.2 declares that the Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board shall disseminate the policy and program to employees across the organization through training to embed them in the Corporation's culture. (Page 28) The Employee Handbook is being revised to include an anti-corruption policy and program.

			Company's community involvement and environment-related programs. **On 17 June 2023, the Company organized a medical and dental mission in the San Roque de Mandaluyong Parish, Mandaluyong City, in cooperation with the Philippine Coast Guard. A total of 121 patients received medical and/or dental care on that day.** **In December 2023, the Company donated P100,000.00 to Caritas Manila in support of its charity works, human development and poverty alleviation programs.**

JOSEFINA M. SALVADOR

their respective identification documents as follows:

NAME	T.I.N.	DATE/PLACE ISSUED
[illegible]	104-174-957-000	
2. Josefina M. Salvador.	100-304-777-000	
[illegible]	108-475-208-000	
[illegible]	104-107-760-000	

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